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JUDGE:       Samuel J. Steiner  
DATE:  
TIME:  
CHAPTER:    7  
LOCATION:    Seattle  
RESPONSE DATE:

6                             UNITED STATES BANKRUPTCY COURT  
7                             WESTERN DISTRICT OF WASHINGTON, AT SEATTLE

8     In re:                             )     NO. 09-16841  
  )  
9     MICHAEL R. MASTRO,                )     **ANSWER AND AFFIRMATIVE**  
  )     **DEFENSES OF MICHAEL R.**  
10                             Debtor.     )     **MASTRO TO INVOLUNTARY**  
  )     **BANKRUPTCY PETITION**  
11     \_\_\_\_\_                            )

12                     COMES NOW, Michael R. Mastro, by way of answer to the involuntary petition herein  
13     which was filed on or about July 10, 2009, and does allege and state as follows:

15                                     **I.       ANSWER**

16             1.       Mr. Mastro admits that the petition bears his correct business address, and that the  
17     information regarding DEBTOR is accurate.

18             2.       In answer to the portion of the petition encaptioned "Allegations", Mr. Mastro alleges  
19     as follows:

21             a.       Petitioners are not eligible to file the involuntary petition pursuant to 11 U.S.C.  
22     § 303(b).

23             b.       The debtor admits he is a person against whom an order for relief may be entered  
24     under Title 11 of the United States Code.

27     Answer and Affirmative Defenses of  
28     Michael R. Mastro to Involuntary Petition - 1

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1 c. Debtor denies he is generally not paying debts as they become due.

2 **II. AFFIRMATIVE DEFENSES**

3 1. The petition is false and misleading in, at least, the following regards:

4 a. Columbia State Bank lists the nature of its claim as "unsecured" and the amount of its  
5 claim as \$2,605,518.62. In reality, Columbia Bank has a secured claim of about \$6,500,000 and  
6 collateral greater than or equal to the value of the debt. The amount of the collateral will be proven  
7 at trial.

9 b. Venture Bank lists the nature of its claim as "unsecured" and the amount of its claim  
10 as \$2,000,000. In reality, Venture Bank has a secured claim in the approximate amount of  
11 \$12,200,000. This claim is over secured with collateral having a value in excess of \$15,500,000.  
12 The amount of the collateral will be proven at trial.

14 c. First Sound Bank lists the nature of claim as "partially secured" and the amount of its  
15 claim of \$5,140,183.74. In reality, First Sound Bank is fully secured having a deed of trust on  
16 collateral worth nearly \$4,000,000 and having obtained consensual writs of attachment on three  
17 other parcels of property.

18 d. Petitioners are fully secured and not eligible to file the petition under 11 U.S.C.  
19 § 303(b).  
20

21 **III. PRAYER FOR RELIEF**

22 WHEREFORE, having answered the petition, Mr. Mastro prays for a judgment as follows:

- 23 1. Dismissing the petition with prejudice;  
24 2. Awarding him his reasonable and actual attorneys' fees and costs herein;  
25

